

VZCZCXR08450
PP RUEHQU
DE RUEHPU #0891 1372047
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P 172047Z MAY 06
FM AMEMBASSY PORT AU PRINCE
TO RUEHC/SECSTATE WASHDC PRIORITY 3070
INFO RUEHZH/HAITI COLLECTIVE PRIORITY
RUEHBR/AMEMBASSY BRASILIA PRIORITY 1051
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0896
RUEHQU/AMCONSUL QUEBEC PRIORITY 0474
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS PORT AU PRINCE 000891

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA/CAR
WHA/EPSC FOR FAITH CORNEILLE
EB/IFD
STATE PASS TO USAID FOR LAC/CAR
TREASURY FOR JEFFREY LEVINE
COMMERCE FOR SCOTT SMITH

E.O. 12958: N/A

TAGS: [ENRG](#) [ECON](#) [EFIN](#) [EINV](#) [EAID](#) [HA](#)

SUBJECT: PETROCARIBE WILL SELL TO EDH

REF: A. PAP 846
[1](#)B. PAP 856

[11.](#) This message is sensitive but unclassified: please protect accordingly.

[12.](#) Michel Guerrier, Director of National, confirmed May 17 the scenario described in refel A, whereby Haiti's National Electricity Company (Electricite d'Haiti -- EDH) will be designated as Haiti's state-owned oil company and will distribute PetroCaribe oil to retailers. Guerrier also said that because EDH has no experience in buying and selling oil, President Rene Preval has asked Edouard Baussan, the President of the Board of Dynasa, to draw up a contract to manage the oil stock on behalf of EDH. Reportedly, Preval and Baussan are good friends and traveled together to Venezuela in late April to discuss PetroCaribe with Venezuelan President Hugo Chavez. The first ship of 100,000 barrels of PetroCaribe oil, which arrived on May 13, included a donation of 60,000 barrels of diesel to EDH. The remaining 40,000 barrels of unleaded gasoline (20,000 each of 91 and 95) will be sold to the oil companies. Separately, the international oil companies -- Texaco, Esso (a.k.a. Exxon) and Total -- had a shipment of oil arrive May 15. However, they fear that the GOH will insist that they purchase the oil from EDH in the future.

[13.](#) Comment: Dynasa, which supplies to Haiti's domestic oil company, National, is the only voice in the oil business to endorse Preval's proposal to have EDH control the oil supply.

The other international oil companies are increasingly concerned -- both Texaco and Esso will meet with the Ambassador in the near future -- that they will have to buy their oil from the GOH. A corrupt and mismanaged public entity, EDH has failed to provide the country with electricity. We will continue to raise our concerns about the PetroCaribe deal with the highest levels of government, and with Baussan.

SANDERSON

=====CABLE ENDS=====